GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3047
ANSWERED ON:06.12.2007
. USE OF SUBSIDY BY FERTILIZER PRODUCING UNITS
Singh Shri Mohan

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether several fertilizer producing units are using subsidy to increase and augment their production capacity;

(b) If so, the details thereof; and

(c) If not, the reasons therefore?

Answer

MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) to (c) : The subsidy on fertilizers, though is released to manufacturers/importers for sale of fertilizers, it is transferred to the farmers in the form of subsidized selling price of the fertilizer. The fertilizer manufacturers/importers are reimbursed the difference between the normative cost of production and delivery of fertilizer at the farmgate level and the notified selling price of the fertilizer, as fertilizer subsidy, once the fertilizer reaches the districts.